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PROJECT REVIEW COMMITTEE

SECRET

3 September 1948

BY HAND

TO: Project Review Committee

FROM: Executive for Inspection and Security

SUBJECT: Approval of Project for Research Division, I&S (Covert)

1. Request.

It is requested that approval be granted to the following project covering unvouchered funds to the amount of \$103,000.00 for the use of Research Division of the Office of Executive for Inspection and Security during fiscal year 1949.

This is not a request for additional total funds and is included within funds previously authorized to the Executive for I & S in the present 1949 Budget and in the Project for Employee Investigative Branch approved by the Director on 30 June 1948.

Reason for the project is that this portion of these funds must be unvouchered for security reasons.

2. Budgetary Savings

a. For the information of the Committee, the consolidation of the security services of OSO and CIA has effected a saving in personal services (salaries) of \$224,275.00. See TAB A.

b. In addition, the whole budget of the Executive for I & S has been refigured as shown in TAB B. in order to lower the cost incident to FBI ceasing investigations. The total saving is \$278,110.00.

c. From TAB A and B it can be shown that we have saved \$278,110.00 of the additional cost of investigation incident to the FBI ceasing to investigate. Considering that the FBI would have charged \$200,000.00 for investigations, the total additional cost to this agency will only be about \$70,000.00.

3. Necessity for Project

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It is therefor requested that this separate project covering un-
vouchered funds to the amount of \$103,000.00 be approved for Fiscal
Year 1948-49.

4. Personnel and Organizational Requirements

The approved T/O of the Research Division contains [redacted] positions
and provides for the establishment of [redacted] in [redacted]
[redacted]. No additional personnel or organizational changes are
requested.

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5. Estimate of Time Required to Complete Project

As indicated in paragraph 3 above, the establishment of the Research
Division will be a continuation of certain activities previously performed
by the Security Branch of OSO for OSO. Plans are under consideration to
provide support to OPC. Necessary personnel, equipment, office space,
etc. will merely be transferred to the Research Division on the date
selected for its activation.

6. Funds Required for Fiscal Year 1949

Based upon the approved T/O of personnel and the costs of operating
the [redacted] offices in the past, it is estimated that
the following funds will be required for the purposes and objects as
indicated:

Salaries. \$70,000.00

The actual salary costs of the [redacted] persons in the Research
Division for the period 22 August 1948 through 30 June
1949, at their present rates, is [redacted]. The amount
of \$9,680.24 is estimated to cover the cost of salary in-
creases during the fiscal year under the approved T/O.

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Note: While shown here, \$15,000 of this amount is already included in I & S budget.

This estimate is based upon an over-all travel cost of \$75.00 per case and an anticipated case load of approximately 33 cases per month. The estimate includes the costs of operating and maintaining four Government vehicles [REDACTED], and the cost of reimbursement for all travel, per diem and expenses incident thereto (per diem payable to persons employed under the project will be limited to \$6.00 per day).

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Other. \$ 8,000.00

This figure is based upon estimates of \$3,000.00 for purchase of information and undercover protection; \$2,000.00 for Communications, and \$3,000.00 for purchases of supplies, equipment, postage, and other miscellaneous expenses necessary for the operation of the project.

TOTAL. . . . \$103,000.007. Recommendation

Recommend the request for unvouchered funds in the amount of \$103,000.00 for the fiscal year 1949 be approved.

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[REDACTED]
 COLONEL EDWARDS
 Colonel, GSC
 Executive for Inspection & Security

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